

Exhibit 4

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

IN RE:	.	Case No. 23-12825 (MBK)
	.	
LTL MANAGEMENT LLC,	.	
	.	U.S. Courthouse
Debtor.	.	402 East State Street
	.	Trenton, NJ 08608
.	
LTL MANAGEMENT LLC,	.	Adv. No. 23-01092 (MBK)
	.	
Plaintiff,	.	
	.	
v.	.	
	.	
THOSE PARTIES LISTED ON	.	
APPENDIX A TO COMPLAINT AND	.	
JOHN AND JANE DOES 1-1000,	.	
	.	
Defendants.	.	Tuesday, April 18, 2023
.	10:00 a.m.

TRANSCRIPT OF HEARING ON
MEMORANDUM OF LAW IN SUPPORT OF MOTION BY MOVANT ANTHONY
HERNANDEZ VALADEZ FOR AN ORDER (I) GRANTING RELIEF FROM THE
AUTOMATIC STAY, SECOND AMENDED EX PARTY TEMPORARY RESTRAINING
ORDER, AND ANTICIPATED PRELIMINARY INJUNCTION, AND (II) WAIVING
THE FOURTEEN-DAY STAY UNDER FEDERAL RULE OF BANKRUPTCY
PROCEDURE 4001(a)(3) [DOCKET 71]; AND DEBTOR'S MOTION FOR AN
ORDER (I) DECLARING THAT THE AUTOMATIC STAY APPLIES OR EXTENDS
TO CERTAIN ACTIONS AGAINST NON DEBTORS OR (II) PRELIMINARILY
ENJOINING SUCH ACTIONS AND (III) GRANTING A TEMPORARY
RESTRAINING ORDER EX PARTE PENDING A HEARING ON A PRELIMINARY
INJUNCTION [ADVERSARY DOCKET 2]; AND MOTION TO SEAL; AND
SERVICE PROCEDURES MOTION

**BEFORE THE HONORABLE MICHAEL B. KAPLAN
UNITED STATES BANKRUPTCY COURT JUDGE**

Audio Operator: Kiya Martin

Proceedings recorded by electronic sound recording, transcript
produced by transcription service.

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1 were bound to the PSA that says we're bound to the attached
2 term sheet and there's no term sheet?

3 A Again, according to Mr. Murdica, all the plaintiffs knew
4 what the terms were.

5 Q Okay. So, as early as mid-March, there's PSAs getting
6 signed up and, I guess, maybe they have a term sheet attached
7 and maybe they don't; right?

8 A Yeah, I don't know exactly what was attached.

9 Q Okay. The term sheet is the centerpiece of LTL's Chapter
10 11 plan to go forward and resolve talc claims; correct?

11 A Well, the terms are the important terms, but some of these
12 terms, as I think I explained to you in my deposition, some of
13 these are just placeholders and some are still subject to
14 negotiation.

15 Q Sir, the plan -- the term sheet is the centerpiece of the
16 Chapter 11 plan; right?

17 A No, I would say -- I disagree with that. I would say some
18 terms are material and the centerpiece, I would say some of the
19 terms in here are not the centerpiece, they're just typical
20 terms that appear in many agreements and that are necessary for
21 a plan.

22 Q Let's try it this way: Is the term sheet important in
23 this bankruptcy case?

24 A I would say most of the terms of that term sheet are
25 important, some terms are more important than others.

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1 Q Okay. Let's take a look at page 5. At the top of this
2 term sheet, which you were signing people up to during the
3 pendency of the first bankruptcy case, while Ms. Ellis had a
4 court-appointed official, she was the FCR, during that period
5 of time, on paragraph -- on page 5, at the top, (b)(1), "Randi
6 Ellis shall serve as claims administrator of the Talc Trust for
7 purposes of qualifying claimants and allocating proceeds to be
8 distributed amongst all existing and future qualifying
9 claimants. Ms. Ellis shall utilize and supervise Archer
10 Systems, LLC in the qualification and allocation of talc
11 claims."

12 Do you see that?

13 A I do see that.

14 Q And in fact that was in March, at least the first term
15 sheet that was attached to a PSA was in mid-March; right?

16 A Yes. Understand, this is a placeholder name that Mr.
17 Murdica put in without really consultation because he thought
18 that this was a -- she would be a good choice. But, again,
19 this is one of these terms that is not really material and that
20 is subject to a negotiation.

21 Q Sir, it may not be material to you, but are you aware --
22 give me a second. I'm not trying to be -- cause a firestorm, I
23 just want to know, are you aware that it is a bankruptcy crime
24 under 18 U.S.C. 152(6) to knowingly and fraudulently give,
25 offer, receive, or attempt to attain any money, property,

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1 money into a fund and then how it gets administered and the
2 administration of that, that's generally left up to the
3 plaintiffs.

4 Q Well, let's take a look at some board minutes of March
5 16th.

6 (Crosstalk)

7 MR. JONAS: May I approach, Your Honor?

8 THE COURT: You may.

9 THE WITNESS: Thank you.

10 BY MR. JONAS:

11 Q Okay, let's just take a quick look -- I hope we're in the
12 home stretch, Mr. Kim -- at what will be, I think, TCC No. 5.
13 This is the debtor's minutes from a board of managers meeting
14 on March 16th, 2023; correct?

15 A Yes.

16 Q And you were at this meeting; right?

17 A I was.

18 Q And down below, on March 16th, 2023, the board was talking
19 about contingency planning; right?

20 A Correct.

21 Q And they talked about seeking approval from the board to
22 file another bankruptcy; right?

23 A That's one of the things that -- contingencies they were
24 looking at, yes.

25 Q Yeah. And another thing you talked about -- turn the page

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1 over, please, and if you look at the fourth bullet, you talked
2 about gauging whether the future claimants representative would
3 support a further bankruptcy in the contours of a plan; right?

4 A I see that, yes.

5 Q Because you thought it was important to get the future
6 claimants representative on board with your new plan; right?

7 A No, we were not trying to get the future claimants
8 representative on board. We were having discussions to see
9 what her reaction would be if a new bankruptcy were filed.

10 Q But let me ask you what I asked you at your deposition.
11 The debtor's board thought it was important to get the FCR on
12 board to support a second bankruptcy and the contours of a
13 plan; isn't that right?

14 A If that was the question, I mean, the -- well, I think
15 getting on board would be objectionable. I don't know that we
16 tried getting her on board. We were trying to determine what
17 the -- what her views were on it.

18 Q Okay. Let's look at hopefully the last exhibit, which
19 will be a presentation on March 28th to the board.

20 MR. JONAS: May I approach, Your Honor?

21 THE COURT: Yes.

22 MR. JONAS: TCC Exhibit 6.

23 THE WITNESS: Thank you.

24 (Pause)

25 BY MR. JONAS:

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1 Q Mr. Kim, I want to show you what's been marked as TCC-6,
2 it's a presentation to the board of managers of LTL on March
3 28th; right?

4 A It is.

5 Q And you were at that board meeting too; right?

6 A I was.

7 Q And if you go to page 7 of the presentation, it has the
8 Bates number 239, the last digits on the bottom.

9 A Yes.

10 Q It says -- the title is "Support of Future Claimants
11 Representative." Do you see that?

12 A I see that.

13 Q And you were having separate discussions about your new
14 plan with the FCR during the old bankruptcy case; right?

15 A No. We weren't actually -- at that point, it was just a
16 support for the bankruptcy. I don't know about she was
17 presented or discussed any plan with her.

18 Q Sir, the top bullet, it says, "Separate discussions have
19 occurred with FCR."

20 Those discussions were about the yet-to-be-filed new
21 bankruptcy; were they not?

22 A Yeah, they were about the bankruptcy, not the plan. In
23 other words, it wasn't -- I don't think at this time we were --
24 we had started -- I think there were talks about starting to
25 talk also about a plan, but at the time we were trying to her

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1 support just on a new bankruptcy filing.

2 Q Really? Okay.

3 And it says here that she -- I guess the good news, she
4 was supportive of a second LTL Chapter 11 case in the event the
5 current case is dismissed; right?

6 A That's what this says, but, you know, eventually, she
7 decided that she was not going to take a position on the
8 filing.

9 Q But, sir, I heard what you said, but the last bullet says,
10 "In addition, discussions are ongoing to obtain a plan support
11 agreement from the FCR."

12 Do you see that?

13 A I do, but this is not the same plan support agreements
14 that we would have signed by the plaintiffs' counsel, this is
15 -- you know, if you look at the form, it would make no sense
16 for her to sign the plan support agreement that we were looking
17 at. I think discussions were ongoing as to what kind of -- if
18 she would support a plan and what kind of plan she would
19 support. But, again, nothing happened because she decided that
20 she was not going to take a position on this.

21 Q But you tried to get her to take a position; did you not,
22 sir?

23 A Well, we wanted to see if she was supportive of what we
24 were trying to do.

25 Q Yeah. And I assume, in connection with getting her to

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1 agreement as Exhibit B," right?

2 A Correct.

3 Q So we know, whatever else, is that as of March 21, 2023,
4 the date of this, it says that a term sheet is attached to this
5 agreement as Exhibit B, correct?

6 A That's what it says, yes.

7 Q Okay. Let's take a look at the term sheet, which was
8 Exhibit 4.

9 And if you take a look, the first page has a section
10 called "agreement." Do you see that?

11 A Yes.

12 Q And it lists certain qualifications that the payment terms
13 are contingent on. Do you see that?

14 A I see that, yes.

15 Q Okay. And then it lists 1, 2, and I'd like to go on to
16 Page 2, the third contingency item. Do you see that?

17 A I see that.

18 Q Within the term sheet that was attached to the PSA dated
19 March 21, 2023, one contingency was, "The futures claims
20 representative agreement that she will not assign more than one
21 third of the trust corpus to qualifying future claims." That's
22 what it says.

23 A I do see that.

24 Q And that was a contingency that was put into the term
25 sheet that Mr. Murdica drafted on your behalf, true?

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1 wavelength. The future's claims representative agreement that
2 she -- Do you see that?

3 A Yeah, it's not an agreement by the future claims
4 representative. This is a contingency.

5 Q Sir, if you could listen to my questions.

6 MS. BROWN: Judge, could he just be allowed to
7 answer, please?

8 MR. MAIMON: But he's not listening to my question.

9 THE WITNESS: But he said the agreement.

10 THE COURT: Mr. Kim, I think he's asking you just to
11 read the agreement.

12 THE WITNESS: Okay.

13 THE COURT: All right.

14 MR. MAIMON: The term sheet.

15 THE COURT: So just read the terms.

16 BY MR. MAIMON:

17 Q Number 3, "The future claims representatives agreement
18 that she will not assign more than one third of the trust
19 corpus to qualifying future claims." Did I read that
20 correctly?

21 A Yes.

22 Q It refers to the future claims representative as she,
23 correct?

24 A It does.

25 Q Because at that point, the only future claims

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1 representative was Randi Ellis, right?

2 A Yes.

3 Q And J&J has immediately, upon filing -- or, I'm sorry,
4 withdrawn.

5 LTL, immediately upon filing this bankruptcy, moved for
6 Ms. Ellis to be reappointed as FCR in this bankruptcy, correct?

7 A We did.

8 Q Okay. Now, so we know what that contingency was on
9 Page 2. Let's go now to Page 5. This refers to Ms. Ellis by
10 name here, right?

11 A It does.

12 Q And it refers to, even if it's a placeholder, first of
13 all, you didn't draft this agreement, did you?

14 A I did not draft it, no.

15 Q Okay. It says, "Randi Ellis shall serve as claims
16 administrator of the talc trust for purposes of qualifying
17 claimants and allocating proceeds to be distributed among all
18 existing and future qualifying claimants."

19 Do you see that?

20 A I do see that.

21 Q And so this is talking about somebody whose role it would
22 be to say how much each contingent of the claimant pool was
23 going to get, right?

24 A I'm not sure what the exact duties would be of the claims
25 administrator.

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1 be a FCR commit to less than one third of the proceeds going to
2 future representatives and yet be a claims administrator whose
3 duties it was to allocate proceeds to be distributed among all
4 existing and future qualifying claimants?

5 MS. BROWN: I object, Your Honor. Lacks Foundation.
6 Calls for speculation.

7 THE COURT: Sustained.

8 BY MR. MAIMON:

9 Q Now, when LTL made the motion to have Ms. Ellis appointed
10 as FCR in this case, it did not disclose to the Court that it
11 also put her as a placeholder prospective claims administrator
12 whose responsibilities would be to allocate proceeds to be
13 distributed amongst all existing and future claimants, did it?

14 MS. BROWN: I object, Your Honor. That misstates the
15 testimony. It's also a duplicative questioning of what we had
16 before on this issue. I'd object to that as well.

17 THE COURT: Overruled.

18 THE WITNESS: No. Because, again, as a placeholder,
19 it did not mean that she was the claims administrator.

20 MR. MAIMON: move to strike everything after no, Your
21 Honor.

22 THE COURT: Overruled.

23 BY MR. MAIMON:

24 Q When LTL moved to have Ms. Ellis appointed futures claims
25 representative in this case, it did not disclose to the Court

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1 A Yeah. That's the filing of the case, yes.

2 Q Well, let's just read what it actually says. "FCR has
3 agreed to sign and submit a declaration in support of a new
4 Chapter 11 case." Those are the words, right?

5 A That's exactly right. The filing of a new Chapter 11
6 case.

7 Q Well, it doesn't say "filing." It says what it says. Can
8 we agree on that?

9 A Sure. Yes, we can.

10 Q Okay. And this is phrased in the past tense, that she
11 already has agreed, right?

12 A Which, yeah, did not turn out to be true.

13 Q And then -- well, this is what was reported to the board,
14 right?

15 A Correct.

16 Q Okay.

17 A And it was later reported that it was not happening.

18 Q And then, later it was reported that she was unwilling to
19 sign a declaration, right?

20 A That she chose not to, yeah, sign a declaration.

21 Q In addition to a declaration, there's a discussion here
22 about discussions are ongoing to obtain a plan support
23 agreement from the FCR, correct?

24 A Yes. Yes, I see that.

25 Q And the FCR, Ms. Ellis, chose not to execute that as well,

C E R T I F I C A T I O N

We, DIPTI PATEL, TRACEY WILLIAMS, KAREN WATSON, LIESL
SPRINGER and TRACY GRIBBEN, court approved transcribers,
certify that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in the
above-entitled matter and to the best of our ability.

/s/ Dipti Patel

DIPTI PATEL

/s/ Tracey Williams

TRACEY WILLIAMS

/s/ Karen Watson

KAREN WATSON

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DATE: April 20, 2023